

VoIP and Access Charges

- **AT&T requests that any service that uses either the Internet or IP Protocol be exempt from access charges.**
- **Policy makers must not confuse “deregulation” with avoidance of paying for services the VoIP providers use.**
- **AT&T wrongly claims that local business rates under the old “ESP exemption” are sufficient compensation.**
 - This is not true in high-cost rural areas.
 - Cost-based intercarrier compensation and USF are indispensable components of rural ILEC cost recovery.
 - Customers need comprehensive, policy-based actions, not piecemeal elimination of significant revenue sources based on loopholes.
- **If granted, AT&T’s petition would have huge impact on both interstate and intrastate rates, and would be devastating to universal service in rural areas.**

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- **AT&T's latest filing (1/27/04) prejudices that access charges will be eliminated. In rural ILEC areas, intercarrier compensation must remain part of the cost–recovery balance.**
- **The Commission should deny the AT&T petition.**
 - VoIP and IP telephony depend on the ubiquitous telecommunications networks of other providers.
 - Protocol conversion (IP or otherwise) does not change the fact that the same information goes in and comes out of the communication.
 - Since the service uses the network of another carrier, there is a duty to compensate that carrier.
 - Access charges have decreased dramatically from 1984, and from 1996.

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- **Granting the AT&T petition would harm rural consumers.**
 - Significantly higher end-user rates would be counter to 254(b)(3).
 - Rural consumers do not have the same choice of providers, and in many cases have only one provider.
 - Abrupt elimination of significant revenue flows could seriously affect provider viability.
- **It is reasonable that other VoIP petitions are further reviewed in the comprehensive intercarrier compensation review process, but denial of AT&T's petition must not be delayed.**
- **Denial of this petition will not limit investment in VoIP services, but granting it would be yet another deterrence to meaningful investment in rural America's telecommunications infrastructure.**